

Lesson Plan: Making Plans With Money

55-70 minutes

Learning Objectives	<p>Students will be able to:</p> <ul style="list-style-type: none"> • Create and balance a budget between needs vs. wants • Examine the value of adding savings goals and charitable donations to a budget
Materials needed	<ul style="list-style-type: none"> • <i>Vault – Understanding Money™ Budget Worksheet</i> • Pen or Pencil

Overview: This lesson will teach students how to read and use a budget. Students will learn to calculate revenue and expenses, and the need for sufficient revenue for all expenses. Students will work with a budget to ensure that expenses are in line with revenue as well as set savings and charitable donations goals.

Background Knowledge Required: This lesson plans refers to the “Spending and Saving” activity in the Making Plans with Money concept group of the *Vault™* program. “Spending and Savings” should be completed by the students prior to the discussion and activity.

Provided Student & Teacher Materials:

- *Vault™ Budget Worksheet*

Lesson Plan:

Opening	<p><i>Duration: 5 minutes</i></p> <ul style="list-style-type: none"> • Ask the class to answer the question: “What is a budget?” Have students write down their answer first, and then take volunteers to share their responses with the class. • Have students share why they may want to create a budget (save for a long term goal, ensure they don’t go into debt, etc.) <p><u>Background Information</u></p> <ul style="list-style-type: none"> • Expense- the cost of goods and services • Income- money made from working • Budget- a spending plan people make in order to make sure
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	<p>there is enough income to cover all expenses</p> <ul style="list-style-type: none"> Balanced budget- a budget with sufficient income to cover all expenses
Introduction to New Material	<p><i>Duration: 15 minutes</i></p> <ul style="list-style-type: none"> Explain why it is important that expenses do not exceed income. Discuss how a budget can help with managing expenses, and creating savings. Show an example budget on the board. After discussing budgets, expenses, and income, explain to students that the class will be working on a budget to overcome some spending challenges The goal is for students to understand how budgets can effective in making a plan for spending, managing money in general, and as a tool to help prioritize wants and needs. Budgets can also be used to help create savings. Explain to students that they will be doing an in-class exercise working on a budget. Pass out the <i>Vault™</i> Budget Worksheet to each student. Ask the students to review the budget, and then point out to students which is the “income” column and the “Expenses” column. Complete a quick check-for-understanding by defining each term and asking students to stand up if the definition defines income and to stay sitting if the definition describes an expense. Income/Expense Examples: <ul style="list-style-type: none"> Money made from a job (income- stand) Money given to you as a gift for your birthday (income- stand) Going out for pizza (expense-sit) Buying new shoes (expense-sit) To further check-for-understanding, ask students to provide an example of income or an expense. After students have had a chance to review the budget, ask students to think-pair-share with a partner or small group to explain a problem with the budget. After students have shared in pairs/small groups, ask for volunteers to share their responses with the class. <ul style="list-style-type: none"> Correct response: Expenses exceed income. Follow-up by asking students to explain why it is an issue that there are more expenses than income.
Activity/Practice	<p><i>Duration: 35 minutes</i></p>

	<ul style="list-style-type: none"> • Begin student practice by sharing that students need to balance the budget and the income cannot be changed. • First, have students identify by underlining the three needs in the Revised Expense column. Check that all students have identified the correct needs of Rent + Utilities, Food, and Transportation. • Release students by asking the students to modify the budget by creating a new list of expenses in the “Revised Expenses” column of the budget. Have them add up the expenses to make sure they are in line with income. Remind them that the needs will need to stay in budget! • Next, ask students to further modify the budget by creating a second new list of expenses in the “Revised Expenses- Savings and Charities” column of the worksheet. Explain that this budget will need to have \$200 for savings per month, and to give \$10-25 to charity per month. Justify the \$200 in savings by providing examples of emergency savings needs, reminding students about savings goals (long-term and short-term) and retirement savings. Emergency Savings: <ul style="list-style-type: none"> ◦ Car breaks down and you have to pay for repairs ◦ Getting sick and not able to go to job- miss wages ◦ Lose your job • Have the students add up the new expenses to make sure they are in line with income.
Closing	<p><i>Duration: 10 minutes</i></p> <ul style="list-style-type: none"> • Ask students to explain their ideas for budget modifications on the back of the budget worksheet. Students should outline the kind of changes they had to make to balance the budget, and also to have enough income for savings and charity. • Next, ask students to write down a charity they would like to support in the future based on what was learned in VaultTM program. Note: students may refer to the “Choosing a Charity” worksheet they completed in the course accessible through the Resource section of the course. • If time permits, ask students to then share their ideas for budget modifications and charities they wish to support providing reasoning for both.

Vault – Understanding Money™ Budget Sheet
 Lesson Plan 3: Making Plans with Money
 Teacher version with answer key

Directions: Help Zombie Einstein figure out how much to spend within his budget, and then learn how to save and give to charity. First redo Zombie Einstein’s expenses so he does not spend more than he earns. Put the new numbers in the sixth column. Once you have help with that, make even more changes to the budget to help Zombie to also save and give to charity each month. Record the numbers in the last column. **Answer Key Note:** The revised expenses can differ from those below, as long as they add up to \$1800. In the last column, the Savings requirement is \$200 per month and the Charity rand is \$10-\$25 per month.

Zombie Einstein’s Monthly Income	\$\$\$	Zombie Einstein’s Monthly Expenses	\$\$\$	Revised Expenses	\$\$\$	Revised Expenses-Savings+ Charity	\$\$\$
Salary	\$1800	Rent + Utilities	\$600	Rent + Utilities	\$600	Rent + Utilities	\$600
		Food	\$400	Food	\$400	Food	\$400
		Transportation	\$200	Transportation	\$200	Transportation	\$200
		Cable	\$50	Cable	\$50	Cable	\$50
		Clothes	\$350	Clothes	\$150	Clothes	\$75
		Electronics	\$250	Electronics	\$50	Electronics	\$25
		Entertainment	\$500	Entertainment	\$350	Entertainment	\$225
						Savings	\$200
						Charity	\$25
Total:	\$1800	Total:	\$2350	Total:	\$1800	Total:	\$1800

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		Food	\$400	Food		Food	
		Transportation	\$200	Transportation		Transportation	
		Cable	\$50	Cable		Cable	
		Clothes	\$350	Clothes		Clothes	
		Electronics	\$250	Electronics		Electronics	
		Entertainment	\$500	Entertainment		Entertainment	
						Savings	
						Charity	
Total:	\$1800	Total:	\$2350	Total:		Total:	

CHOOSING A CHARITY

Because I care about:

- | | |
|--|---|
| <input type="checkbox"/> Animals | <input type="checkbox"/> Working with little kids |
| <input type="checkbox"/> The environment | <input type="checkbox"/> Helping the needy |
| <input type="checkbox"/> Spending time with older people | <input type="checkbox"/> People being healthy |

I might enjoy:

- | | |
|---|---|
| <input type="checkbox"/> Helping at a nursing home | <input type="checkbox"/> Being a tutor |
| <input type="checkbox"/> Volunteering at a soup kitchen | <input type="checkbox"/> Creating an anti-bullying campaign |
| <input type="checkbox"/> Volunteering at an animal shelter | <input type="checkbox"/> Running a race for a good cause |
| <input type="checkbox"/> Starting a campaign for recycling | <input type="checkbox"/> Starting a fitness club |
| <input type="checkbox"/> Cleaning up my neighborhood | <input type="checkbox"/> Other_____ |
| <input type="checkbox"/> Helping victims of natural disasters | |
| <input type="checkbox"/> Reading to the blind | |

Giving to charity is important to me, because:

- | | |
|---|---|
| <input type="checkbox"/> It makes people feel good | <input type="checkbox"/> It sets a good example for others |
| <input type="checkbox"/> It makes a difference in the world | |
| <input type="checkbox"/> It helps the community | <input type="checkbox"/> It is a great way to spend your time |